



STATE OF MAINE
OFFICE OF THE GOVERNOR
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04333-0001

Paul R. LePage

GOVERNOR

9 April 2014

The 126th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 126th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1487, "An Act To Provide Fiscal Predictability to the MaineCare Program and Health Security to Maine People."

Maine cannot afford to expand Medicaid to 100,000 able-bodied adults. The expansion offered through Obamacare would have a disastrous impact on Maine's budget, as well as those truly needy individuals, our disabled and elderly, who rely today on the scarce resources in our program. Maine has been down this road before, and we must learn from previous experience. Medicaid spending grew by one billion dollars in a decade, hospital bills were not being paid by the state, budgets were broken and thousands of elderly and people with disabilities were forced to wait for critical services.

The fiscal savings promised by Medicaid expansion and managed care are merely mirages. Proponents of this bill tout "free" federal money and unspecified state "savings" with no backup for these claims. It is shortsighted to think federal funds will always be available, especially after watching the federal deficit climb and witnessing continual delays and changes from Washington. When savings were promised in the past as a result of expanding Medicaid, they never materialized, leaving Maine taxpayers holding the bill.

Previous expansions of the program have taught us that when we grow a welfare program like Medicaid, people will drop their private insurance and flock to government assistance. This drives up the cost for everyone else who maintains their own private health care coverage. Experience from other states has also taught us that managed care can create savings in states with traditionally high healthcare provider reimbursement rates because the managed care companies cut rates to those providers. It makes no fiscal sense to bring an out-of-state company to Maine and take taxpayer money to pay them to cut rates to our doctors and nurses. DHHS is already working to coordinate the care provided to our most expensive Medicaid populations, and the fiscal results are excellent—better than those seen in states with managed care companies running the programs.



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Unlike many other states being lured into expansion by the promise of federal deficit Medicaid dollars, we have been down this road before. We know how the story ends: broken budgets and the disabled on waitlists for services. We know the arguments—they're the same as the last time—and we know the ruinous results of expansion. For the sake of the truly needy and Maine taxpayers, we cannot go down this path again.

For these reasons, I return LD 1487 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,


Paul R. LePage
Governor